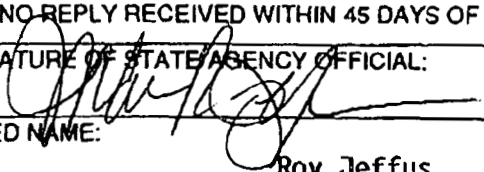



TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: <u>03-010</u>	2. STATE: Arkansas
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		4. PROPOSED EFFECTIVE DATE July 12, 2003	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR Part 447, Sub Part C		7. FEDERAL BUDGET IMPACT: a. FFY 2003 \$ 84,449 b. FFY 2004 \$ 383,587	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D, Appendix I Page 2-7		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-D, Appendix I Page 2-7	
10. SUBJECT OF AMENDMENT: Implements a 3% rate increase for under 16 bed ICF/MR facilities.			
11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Division of Medical Services P. O. Box 1437 Little Rock, AR 72203-1437 Attention: Joie Wallis Slot S295	
13. TYPED NAME: Roy Jeffus			
14. TITLE: Interim Director			
15. DATE SUBMITTED: July 11, 2003			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: JUL 15 2003		18. DATE APPROVED: NOV 24 2003	
PLAN APPROVED: ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 12 2003		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Charles Brown		22. TITLE: Deputy Director, CM 50	
23. REMARKS:			

B. Intermediate Care Facilities for the Mentally Retarded – Continued

3. Under 16 Beds:

- a. Small ICF/MR facilities certified as having 15 beds or fewer will be reimbursed on a prospective uniform class rate system. An inflationary adjustment, determined by the Division to be reasonable and adequate, will be applied to the existing rates and will be implemented by State Plan amendment as warranted by analysis of cost report data. Cost reports will be submitted annually for the preceding calendar year (January 1 – December 31) and will be reviewed prior to establishing new rates. The Division has established the per diem rate of \$161.81 effective July 12, 2003. This 3% increase in per diem rate is based on the CMS Market Basket forecast for nursing home index as an inflation factor.

b. Overpayment/Underpayments

Overpayment/underpayments resulting from Section 1-12 administrative errors shall be handled through the vendor payment by recouping overpayments and reimbursing underpayments.

STATE <u>Arkansas</u>	A
DATE REC'D <u>7-15-03</u>	
DATE APPV'D <u>11-24-03</u>	
DATE EFF <u>7-12-03</u>	
HCFA 179 _____	